

Form TT-20 Tobacco Products Tax Monthly Recordkeeping

Filing Requirements: House Bill 1885 (Chapter 71, 2005 Regular Session) made significant changes to the Virginia Tobacco Products Tax beginning January 1, 2006. Refer to the *Virginia Tobacco Products Tax Guidelines and Rules*, revised January 1, 2006, to determine if you are responsible for the payment of the Tobacco Products Tax levied pursuant to § 58.1-1021.01 et seq. of the *Code of Virginia*. Each person responsible for payment of the Tobacco Products Tax, also known as the Other Tobacco Products, "OTP" Tax, is required to be licensed with the Virginia Department of Taxation (VA TAX).

Every licensed taxpayer is required to file the Virginia TT-8, Virginia Tobacco Products Tax Return (OTP), on a monthly basis, even if no taxable transactions were made during the month. In addition, every taxpayer is required to maintain complete records and documents substantiating all information contained on each tobacco products tax return.

To assist taxpayers with establishing and maintaining the records and documents required to prepare the monthly tobacco products tax return, VA TAX developed Form TT-20, Tobacco Products Tax Monthly Recordkeeping.

All forms and documents referenced above may be obtained at www.tax.virginia.gov or by calling 804-440-2541.

Recordkeeping: Each distributor must keep in each licensed place of business complete and accurate records for that place of business, including itemized invoices of: 1) tobacco products held, purchased, manufactured, brought in or caused to be brought in from outside the Commonwealth or shipped or transported to retailers in the Commonwealth; 2) all sales of tobacco products made; 3) all tobacco products transferred to other retail outlets owned or controlled by that licensed distributor; and 4) any other records required by TAX. All such books, records and other papers and documents must be preserved for a period of at least three years, unless TAX authorizes, in writing, their destruction or disposal at an earlier date. At any time during usual business hours, duly authorized agents or employees of TAX may enter any place of business of a distributor and inspect the premises, the books, records and other papers and documents required to be kept and the tobacco products contained therein.

Each distributor who sells tobacco products to persons other than an ultimate consumer must render with each sale itemized invoices showing the distributor's name and address, the purchaser's name and address, the date of sale, all prices, and the wording "Virginia Tobacco Products Tax Paid." In the event that items subject to the tobacco products tax are sold with items not subject to the tax, the invoice must show separate subtotals for taxable and nontaxable items or the seller must issue separate invoices for taxable and nontaxable items. The seller must preserve legible copies of invoices for three years after the date of sale.

Each distributor must procure itemized invoices of all tobacco products purchased. The invoices must show the name and

address of the seller and the date of purchase. The distributor must preserve a legible copy of each invoice for three years after the date of purchase.

Persons failing to make records available for inspection by TAX during regular business hours are guilty of a Class 2 misdemeanor under *Va. Code* § 58.1-103.

Form TT-20 contains the following recordkeeping schedules:

• **Schedule A - List of Taxable Transactions by Product for the Reporting Period.**

A taxable transaction occurs when a distributor:

- Brings or causes to be brought into the Commonwealth from outside the Commonwealth tobacco products for sale;
- Makes, manufactures, or fabricates tobacco products in the Commonwealth for sale in the Commonwealth; or
- Ships or transports tobacco products to retailers in the Commonwealth to be sold by those retailers.

Note: A distributor includes any retailer in possession of untaxed tobacco products in the Commonwealth.

• **Schedule B - List of Taxable Transaction Adjustments for the Reporting Period.**

Adjustments include:

- previously taxed tobacco product returned by a distributor to the manufacturer;
- exchanges of previously taxed tobacco products for untaxed tobacco products by a distributor with the manufacturer; and
- previously taxed tobacco products sold to other states;
- exempt sales to the extent that the tobacco products tax was previously paid.

The total taxable adjustments that may be claimed on a monthly return cannot exceed the total taxable transactions. Any excess may be carried-over to the next return.

Taxpayers are not required to submit Form TT-20 to the Department. Taxpayers may use Form TT-20 as a basis for establishing and maintaining a record keeping system to substantiate the information contained on each return. Form TT-20 provides schedules for tracking specific transactions; however the use of Form TT-20 does not relieve the taxpayer of any requirement to maintain complete and comprehensive records as described in the *Virginia Tobacco Products Tax Guidelines and Rules*, as amended, or any other materials approved by VA TAX.

For assistance, call 804-371-0730 or write to:

**Virginia Department of Taxation
P. O. Box 715
Richmond, VA 23218-0715**

Virginia Tobacco Products Tax
Schedule A - List Of Taxable Transactions By Product For Month

Name _____

Column 1 Purchase Invoice Date	Column 2 Purchase Invoice Number	Column 3 Name and Address of Seller	Column 4* Cigars	Column 5* Pipe Tobacco	Column 6* Roll-Your-Own Cigarette Tobacco	Column 7* Smokeless Tobacco	Column 8** Other	Column 9 Total Invoice Add Cols. 4 To 8
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
			\$	\$	\$	\$		
Column Total			\$	\$	\$	\$		
			Enter total on Line 1 of TT-8.	Enter total on Line 2 of TT-8.	Enter total on Line 3 of TT-8.	Enter total on Line 4 of TT-8.		

* Distributors - Enter the purchase price or manufacturer's sales price as applicable.

Retain For Your Records. Do NOT mail with your return.

****** Enter the total of all nontaxable items shown on the same invoice as taxable tobacco products.

TT-20

Virginia Tobacco Products Tax
Schedule B - List Of Taxable Transaction Adjustments For The Month

Month _____, Year _____

Name _____

Page _____ of _____

Transaction Date	Adjustment Explanation	Original Invoice Date	Original Invoice Number	Name And Address of Seller	Reporting Month Tax Was Paid	Taxable Amount
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
Total					Enter the total on Line 5 of TT-8.	\$

Cannot exceed the total of Lines 1 through 4 of TT-8. See instructions.

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